

What does this appropriation support?

This Pharmacy Services appropriation provides funding for fee-for-service eligibles for prescription drugs produced by manufacturers for which there exists a rebate agreement between the manufacturer and the federal Department of Health and Human Services (HHS) and dispensed by qualified providers. Since January 1, 1991, Missouri Medicaid has provided reimbursement for all outpatient drugs (except for those which are specifically excluded or for which prior authorization is necessary) for which there is a manufacturer's rebate agreement. While over-the-counter preparations do not require a prescription for sale to the general public, a prescription for those selected types of over-the-counter products that qualify for Medicaid coverage is required in order for the product to be reimbursable. In general terms, Missouri Medicaid drug reimbursement is made at the lower of: the Average Wholesale Price (AWP) less 10.43%, the Wholesale Acquisition Cost (WAC) plus 10%, the Federal Upper Limit (FUL), the Missouri Maximum Acquisition Cost (MAC) plus the professional dispensing fee or the billed charge.

What is the authorization for this program?

State statutes: RSMo. 208.152, 208.166;
Federal law: Social Security Act Section 1902(a)(12); Federal regulation: 42 CFR 440.120

Is this a federally mandated program?

Yes for children. No for adults.

Are there federal matching requirements?

States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY-2007 is a blended 61.68% federal match. The state matching requirement is 38.32%.

What are the expenditures?

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Planned
GR	\$205,915,571	\$235,922,953	\$284,608,058	\$198,393,791
FEDERAL	\$487,850,574	\$577,668,034	\$700,240,767	\$549,773,711
OTHER	\$127,446,445	\$137,876,560	\$172,945,400	\$136,661,391
TOTAL	\$821,212,590	\$951,467,547	\$1,157,794,225	\$884,828,893

What are the sources of other funds?

Pharmacy Reimbursement Allowance Fund, Pharmacy Rebates Fund, Health Initiatives Fund, Healthy Families Trust Fund-Health Care Account, Third Party Liability Fund and Intergovernmental Transfer Fund (not available in FY-2006)

How many people are served?

Number of Pharmacy Claims			Average Monthly Pharmacy Users		
FY	Actual	Projected	FY	Actual	Projected
2003	15.4 mil	16.2 mil	2003	253,178	
2004	17.1 mil	16.5 mil	2004	272,828	
2005	19.1 mil	18.8 mil	2005	291,081	293,290
2006		16.2 mil*	2006		240,300
2007		10.4 mil	2007		188,900**
2008		11.4 mil	2008		214,400

*Reduction in FY-2006 due to the Medicare Modernization Act (MMA)

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Efficiency and Effectiveness Measure:

